

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 80
Version: As introduced

DATE: January 28, 2013

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Subject: Debt buying and collection on default judgments

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Overview

This bill regulates assigned consumer debt default judgments. It requires a debt-buyer that purchases a consumer debt in default to provide certain evidence when seeking a default judgment.

In addition to an application for judgment, the debt-buyer (plaintiff) must provide to the court:

- a copy of the written contract between the debtor and original creditor, or other admissible evidence establishing the terms of the original contract;
- admissible evidence establishing that the defendant owes the debt;
- admissible evidence establishing that the amount claimed owed is accurate, including an itemized breakdown of the balance, fees, and interest owed;
- documentation establishing a valid and complete chain of assignment;
- proof of proper service on the debtor without a timely answer; and
- proof of notice to the debtor of the motion and hearing.

Effective August 1, 2013, and applies to default motions filed on or after that date.